

Mutt Has the Right Idea on High Finance.

By "Bud" Fisher



AMERICAN BANKERS ASSOCIATION IN CONVENTION IN RICHMOND

Discussion of Nation's New Currency System Marks Opening Session of First General Meeting Today.

PRESIDENT REYNOLDS PRINCIPAL SPEAKER

Declares Success of the New System Depends Entirely on Wise Management of Federal Reserve Board.

Richmond, Va., Oct. 14.—Discussions of the nation's new currency system marked the first general meeting of the American Bankers' Association convention. Only the wisdom of management by the directors and officers of the various reserve banks and of the federal reserve board can insure the success of the experiment," declared Arthur Reynolds, president of the association, in his annual address.

"It is a just criticism of the measure," said Mr. Reynolds, of the reserve law, "to say that it does not take the government out of the banking business and that it confers upon one of our government officials an extraordinary power and discretion unwarranted by the spirit of our institutions and repugnant to republican principles."

PRESIDENT REYNOLDS DISCUSSES THE FED. ERAL RESERVE ACT

Richmond, Va., Oct. 14.—The fortieth annual convention of the American Bankers' Association which met here today brought the American bankers together in large numbers for the first time since the federal re-

serve act was passed by congress. Arthur Reynolds of Des Moines, president of the association, devoted the greater part of his opening address to the federal reserve scheme. He gave assurances that the country might rely upon the bankers to do their part toward making the system a success, notwithstanding their opposition to it in just the form adopted. He noted some of its fine points and its weaknesses, and advised bankers how to adjust themselves to the change.

National bankers had submerged their opinions, he said, and were cordially coming to the support of the federal reserve banks, as required by the act, and a limited number of banks and trust companies organized under state laws had come into the system, "but not to the extent necessary to warrant the anticipation of that complete unification of our entire banking system so long desired."

The rule of the banker must be "safety first," he said, in considering the difficulties the federal reserve banks would have in keeping imposed all the means necessary to relieve sudden distress, and at the same time to rediscount freely enough to avert contraction of credit. "It will require rare wisdom, indeed," he said, "to meet so contradictory a situation."

If there were any assurance that the federal reserve banks would hold large deposits aside from those fixed by provisions of the act, he thought there might be a workable margin, but he saw no inducement for member banks to keep active accounts with the federal reserve banks beyond the amount of the required reserve. "Their commercial relations with the other banks of the country will always be more productive and at the same time as far as from the natural trend of business," he said.

He continued:

"With the practicability of the plan admitted, the question that naturally propounds itself to those engaged in banking is, how will its operation affect the profits of their business. Reasoning from the fact that the federal reserve banks will not enter into competition for the commercial business of the country and for the reason that they will be obliged to quote a rate of discount at least as high, if not higher, than commercial rates in order to maintain the resources necessary to enable them to extend help in need, I believe the conclusion is warranted that in the future, as in the past, rates of interest will be governed by the law of supply and de-

mand.

The federal reserve banks have no way of increasing the supply of actual money in existence; if they did, they might reduce rates. Their most efficient help in that connection may at times result from raising rates to stabilize conditions.

"It is only necessary to cite the fact that in those countries which depend upon central banks to maintain the stability of conditions which in their experience have prevented those panics to which we have been subjected; we find those central banks maintaining a discount rate always higher than the commercial rate in the same country."

The benefits of the new system will become apparent with the lapse of time. The change will be gradual and should be regarded as an evolution in the banking business, during which the bankers themselves must rely upon their own resources and conservatism should be the watchword. Any effort to utilize the rediscount privilege primarily for profit should be discouraged.

"It must always be kept in mind that to realize the chief object which congress had in view the federal reserve banks must always be ready to extend help; they cannot maintain this position if the member banks keep them drained of their resources in ordinary times."

He saw a great advantage from the new act in the maintenance of a foreign exchange market, and thought the federal reserve banks should invest in foreign oils, instead of solely in rediscounting to domestic banks. It was this class of business, he said, that was sought by the bankers of Great Britain and its ramifications extending all over the world and made London its financial center.

He said it was a popular misconception that with the opening of the federal reserve banks, government funds would be deposited in those banks and the independent treasury system of the United States and its consequent expense to the government out of the business of the country, would become a thing of the past. A careful reading of the law, he said, discloses the fact that its authors had no such intention, and that if the government funds are deposited in those banks it will be at the discretion of the secretary of the treasury alone.

"It is a just criticism of the measure," he continued, "to say that it does not take the government out of the banking business and that it confers upon one of our government officials an extraordinary power and discretion unwarranted by the spirit of our institutions and repugnant to Republican principles."

The power conferred upon the secretary of the treasury to control money and credit, if attempted by the members of this association would probably call for a special act of congress to curtail their activities."

He referred to the failure of the bankers to have their say in the modification of the federal reserve act. It was a representation to which their interests clearly entitled them, he argued, but he believed the advisory council of bankers which had been authorized, similar to the one in vogue in Germany, "should yield an influence upon the administration of the system that was denied them in its management."

The experience in Germany, he said, "has been that the advice of its council in the conduct of the Reichsbank is rarely refused and generally followed. The fundamental features of the bill organizing the federal reserve banks are in the main sound and the establishment of the advisory council may furnish the balance without which the system might be deficient."

"None more than the bankers have for years been earnestly demanding some change in our former system, and it may be confidently predicted that their efforts to make it successful will be at the command of those in charge of its operations."

Democratic State and County Candidates

ELECTION NOVEMBER 3, 1914.

FOR U.S. HOUSE OF REPRESENTATIVES

HON. HARVEY B. PERGUSSON

Since President Wilson has been president all the time of Congress has been devoted under his guidance as leader of the Democratic Party to National and International affairs. He has won the approval of the Nation and World. Mr. Pergusson has stood right by the President. Contrast with his stand the attitude of the two Republican Senators from our state. Whom do you wish to uphold?

FOR CORPORATION COMMISSIONER

HON. ADOLFO P. HILL

He was born and raised in New Mexico. He is qualified to fill the place and if elected will serve the whole people.

FOR MEMBER OF THE STATE LEGISLATURE

GEORGE C. SCHEER
WILLIAM KIEKE
RAFAEL GARCIA

These men are representative citizens of the county of Bernalillo, taxpayers and more interested in the advancement of the community than they are in getting EXORBITANT HIGH SALARIES FOR COUNTY OFFICIALS WHO SPEND THEIR WHOLE TIME PLAYING POLITICS, INSTEAD OF RUNNING THEIR OFFICES. IT IS UP TO YOU, THE VOTERS, WHO PAY THE TAXES, TO PROTECT YOUR OWN INTERESTS BY VOTING THE STRAIGHT DEMOCRATIC TICKET.

The Markets

Chicago Grain.

Chicago, Oct. 14.—Wheat advanced in price today owing to higher quotations at Liverpool and because of continuing falling off in northwestern receipts. The start, which ranged from 3¢ to 4¢ higher, was followed by other moderate gains.

The close was strong at 4¢ to

Evening Herald Want Ads

Three Lines ::

Three Times :: Three Dimes

Dunbar Bargains

FOR RENT.

- 4-room house; modern; North Seventh St., \$20.00.
- 6-room house, corner Coal Avenue and Seventh street.
- 7-room house, Highlands, \$19.
- 4-room house, East Hazelton Avenue; modern; \$19.00.

FOR SALE.

- Ranch, 160 acres improved, and for sale at a bargain; 7 miles out.
- House and lot, West Central Avenue; lot 162x260 feet, \$259.
- 6-room house and lot, Highlands, \$2,000.

Two brick houses in 4th ward cheap; modern.

- 2 houses on 3 lots in a fine location; modern, for \$2590, near Sisters' school.
- Brick house on South Broadway, near in; modern.
- 5-room house on South Broadway; \$1750; near Congregational church.

Houses for sale; also business property.

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HELP WANTED

WANTED—Mexican boy with wheel; one who can speak and write English. Apply N. M. Beer and Liquor Co.

WANTED—Agents.

AGENTS—Both sexes; selling outfit polisher; quick repeaters. Box 803, Specialties Supply, El Paso, Tex.

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MONEY TO LOAN—On salaries household goods and livestock with removal. Notes bought and sold. Union Loan Co., room 11, over First National bank. Phone 1258.

PERSONAL.

Repairing and putting up stores also furniture repairing. Phone 624, 117 South Third.

FIRST CLASS Dressmaking. Prices reasonable, satisfaction guaranteed. 405 South High. Phone 1252.

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WANTED—Every home owner to use Erie Carbon roof paint. Stops leaks, last 5 years. Devos ready paint, 1 gal. covers 600 sq. feet. Then F. Keleher, 403 West Central.

FOR CARPET cleaning, furniture and stove repairing. W. A. Goff phone 568.

NOTICE OF SUIT.

In the District Court, County of Bernalillo, State of New Mexico. Julia Walton, Plaintiff.

v. J. D. Walton, Defendant.

To the above named defendant:

You are hereby notified that suit has been filed against you in the court and county above named, wherein said plaintiff prays for an absolute divorce on the ground of abandonment and non-support. You are further notified that unless you appear or cause to be entered your appearance in said court at Albuquerque, N. M., on or before the 12th day of November, A. D. 1914, default will be taken against you and plaintiff will apply to said court for the relief prayed for in the complaint.

Attorney for plaintiff is J. B. Newell, whose postoffice and office is Albuquerque, New Mexico.

(Seal) A. E. WALKER, Clerk.

By Thos. K. D. Madison, Deputy.

1759 @ 11:25.

Sheep—Receipts, 42,000; market steady; lambs, 14-50@5.10; yearlings, 16-75@7.50.

Kansas City Livestock.

Chicago, Oct. 14.—Hogs—Receipts, 22,000; market steady, 30-40@4.00; heavy, \$6.32@8.15; pigs, \$4.50@7.50.

Cattle—Receipts, 12,000; market steady; heifers, 34-50@9.10; calves, 18-25@12.50.

Sheep—Receipts, 42,000; market steady; lambs, 14-50@5.10; yearlings, 16-75@7.50.

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